

State of Vermont
Department of Vermont Health Access
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Agency of Human Services
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January 31, 2018

Dear Medicaid Provider,

Effective April 1, 2017 Vermont Medicaid implemented changes to its pharmacy reimbursement policies. These changes were previously communicated in a provider notice dated March 13, 2017 and can be found at this link <http://dvha.vermont.gov/for-providers/pharmacy-reimbursement-change-notice-draft-03132017.pdf>.

The State of Vermont has received guidance from CMS that the “AWP-17%” rate that was applied on 4/1/2017 with the NADAC implementation needs to be modified which required a revision to the State Plan Amendment (SPA). AWP -19% replaced AWP -17% on August 10, 2017 as one of the available pricing sources incorporated into the “lower of” pricing methodology. All claims that processed at AWP -17% from 4/1/17 through 8/9/17 will be reversed and reprocessed to AWP -19%. Based on an analysis from the DVHA’s Pharmacy Benefit Manager (PBM), Change Healthcare, a low- number of claims totaling 3,406 with a total amount of **\$2,400** across all pharmacies were affected.

Effective 4/1/17, payment of covered outpatient drugs, including over-the-counter drugs, dispensed by an enrolled pharmacy are reimbursed at the lower of:

- a. The National Drug Average Acquisition Cost (NADAC);
- b. The Wholesale Acquisition Cost (WAC) + 0%;
- c. The State Maximum Allowable Cost (SMAC);
- d. The Federal Upper Limit (FUL)
- e. AWP-19%;
- f. Submitted Ingredient Cost;
- g. The provider’s Usual and Customary (U&C) charges; or
- h. The Gross Amount Due (GAD)

These claims will be reprocessed the week of 2/5/18 or 2/12/18 and will be reflected in your RA dated 02/16/18 or 2/23/18.

If you should have questions, please contact a member of the Pharmacy staff at AHS.DVHAPH@vermont.gov. Thank you for your continued support of Vermont’s publicly-funded pharmacy benefits programs.

Nancy J. Hogue, BS, Pharm.D.
Director of Pharmacy Services